

Minutes of the Finance Committee

Wednesday, August 6, 2003

Chair Haukohl called the meeting to order at 8:46 a.m.

Present: Supervisors Pat Haukohl (Chair), Genia Bruce, Don Broesch, Joe Griffin, Jim Behrend, and Joe Marchese. **Absent:** Bonnie Morris.

Also Present: Legislative Policy Advisor Mark Mader, County Board Supervisor Duane Paulson, Parks Systems Manager Jim Kavemeier, Accounting Services Manager Larry Dahl, Principal Financial Projects Analyst Bob Ries, Senior Financial Analyst Andy Thelke, Budget Specialist Linda Witkowski, Budget Manager Keith Swartz, Administration Director Norm Cummings, Project Manager Wayne Naegele, and Systems Technology Administrator Allen Mundt.

Public Comments

Supervisor Paulson clarified information that was available at the Finance Committee but not discussed at the Personnel Committee relative to ordinance 158-O-028 entitled "Authorization to Pay Legal Fees for Sworn Officers Using Deadly Force." He also clarified staff comments on the issue.

Approve Minutes of July 16, 2003

MOTION: Marchese moved, second by Broesch to approve the minutes of July 16. Motion carried 6-0.

Executive Committee Report

Haukohl advised of the following issues discussed at the last Executive Committee meeting.

- Waukesha County Economic Development Corporation Executive Director Bill Mitchell gave his quarterly report which included an update on goals and objectives including funding / donations. He also reported on their annual meeting that was held at the airport and was very well received by the business community.
- Heard a report on recent efforts to bring the printing industry training center to WCTC. It included a Quad/Graphic airplane shuttle from Dallas to Crites Field and a tour of the Milwaukee/Waukesha area. Haukohl felt the presentation was well done and quite impressive.
- Approved ordinance 158-O-051 which will be taken up later in this meeting.
- Reviewed the current five-year capital projects plan with regards to areas that may need to be cut.

Schedule Next Meeting Dates

Haukohl said the next Finance Committee meeting is scheduled for August 20th and will include a transit / revenues update by Transit Director Bob Johnson. She asked to schedule as a future agenda item an explanation as to why the County handles their own collections of delinquent taxes as opposed to an outside agency.

Correspondence

Haukohl said the July monthly activity report of the Waukesha County Criminal Justice Collaborating Council was available for anyone requesting it.

Information Management Panel Update

Bruce said this was the first time Information Systems staff completed the technology review process to be tied in with the budget and it was very successful. It includes about 26 projects which were prioritized and whittled down from 54.

Ordinance 158O- 043: Increase Walter J. Tarmann Parkland Acquisition Fund 2003 Expenditure Authority

Kavemeier said this ordinance involves amending the Tarmann Parkland Acquisition Fund from \$1 million to \$1.25 million. Last year, two grant-related ordinances were approved by the County Board,

neither of which closed prior to the end of 2002. Staff was under the false impression that the enrolled ordinances automatically encumbered those funds, however, they did not. Therefore, staff didn't ask that they be encumbered nor were they carried over. Kavemeier noted that the fund is limited to \$1 million per year for land acquisition purposes. Haukohl said in other words, the funds are being rolled over into 2003 in order to purchase land already approved via ordinances in 2002. Kavemeier concurred.

Mader said if there are any opponents of this on the County Board floor because it looks like a budget amendment, the committee could argue that the Finance Committee could have handled it as a carryover item. And since the intent of the County Board was to purchase those two properties, he didn't think there would be any problems with approving the carryover. The committee could also argue that, in total, the County will not have spent more than \$2 million over a two-year period.

MOTION: Behrend moved, second by Broesch to approve ordinance 158-O-043. Motion carried 6-0.

Ordinance 158O- 044: Waukesha Land Conservancy Partnership Acquisition Ruben Barsamian Property

Kavemeier said this property, located in the Town of Ottawa, consists of 324 acres. Almost all of the property is located in the environmental corridor and is classified as a Class I wildlife habitat. The property is being purchased by the Waukesha Land Conservancy. They will pay \$275,000, the County will contribute \$275,000 from the Tarmann Fund, and the State will contribute \$250,000.

The Conservancy will own the property and will be responsible for maintaining it. The ordinance authorizes the County to have the option of purchasing the property for \$275,000 in the event the Conservancy elected to sell it.

Two appraisals were obtained for \$1.8 million and \$2.5 million. Kavemeier said Mr. Barsamian has agreed to sell it for less than the appraised price to ensure it's not developed nor that it be turned into a park. He wants it to remain in its current pristine condition. There are existing trails and there will be public access albeit controlled access. The main purpose of the acquisition is land preservation.

MOTION: Behrend moved, second by Broesch to approve ordinance 158-O-044. Motion carried 6-0.

Overview of the Comprehensive Annual Financial Report (CAFR)

Dahl said this was the year that governments our size were required to implement federal changes in governmental accounting standards. Dahl explained how the report differs from past reports due to these changes and he reviewed the various sections. The report represents the culmination of all budgeting and accounting activities engaged in by management during the year, covering all funds of the County, its component units and its financial transactions.

2nd Quarter Status Report on Special Revenue Funds

Swartz referred to this report as favorable. For six months, Special Revenue actual operating expenditures were at \$39.6 million or 42.2% of the total modified expenditures budget. This represents an increase of \$2.3 million versus expenditures for the same period in 2002 which were \$37.3 million or 42.2% of total 2002 actual expenditures. Operating revenues (excluding tax levy) achieved during the first six months of 2003 were \$32.1 million or 46.0% of the modified revenue budget. This compares favorably to the first six months of 2002 when revenues of \$29.8 million was approximately 42.3% of the total revenues earned for 2002.

Witkowski said the Transit Services budget shows a \$50,000 negative budgetary impact. However, they were informed on Friday that this is actually much higher – about \$153,000. Swartz said part of the reason for the increase was due to a Public Works staff (County) budgeting error with regards to projected revenues. Waukesha Metro, our contract provider for the administration of the County's transit services, will have to make some changes in the routes to offset the shortfall. Haukohl reiterated that this will be

discussed in detail at the next Finance Committee meeting.

With regards to the Highway budget, Swartz said expenditure estimates are down \$4 million and revenues are down \$1.1 million over the modified budget. Virchow Kraus has recommended a different accounting approach whereby eliminating interdepartmental transactions between the County Highway Fund and the State Highway Fund. Therefore, they will use a different method of budgeting in 2004 which reduces the county budget by \$1.1 million. Staff went on to review the remaining report as outlined.

Capital Projects Six Months Status Report

Witkowski reviewed the capital projects six months status report in detail which included information on project title, current appropriation, expenditures and balance, and percentage of work completed.

Status Update on Department of Administration Capital Projects

Cummings, Naegele, and Mundt were present to give an update on Information Systems capital projects. Cummings distributed an excerpt from the 2003 budget book which lists current and proposed projects. These included Internet and Intranet infrastructure, justice system redevelopment, electronic document management system, mobile data infrastructure upgrade, Human Resources/Payroll upgrade, tax records replacement, fiber link to County facilities, telecommunications environment upgrade, upgrade Office Suite from Windows 2000, and upgrade of the CUBS system. Cummings discussed concerns with the SACWIS system in Health & Human Services with regards to state mandates. Haukohl said it would be worthwhile to bring in some of our state delegation to talk about these concerns.

Ordinance 158O- 051: Amend Waukesha County Code of Ordinances Pertaining to Capital Project Definition

Cummings gave a history on this issue. The current code defines capital projects with amounts usually in excess of \$25,000 (including non county funded costs) and this was approved in 1988. The total capital budget has increased from the 1988 expenditure of \$5.9 million to the 2003 expenditure budget of \$29.6 million. It is desirable that the County Code reflect current costs and practices. Most projects under \$100,000 are maintenance, equipment or small technology projects which should more appropriately compete for funding within a Department operating budget rather than in the County-wide capital projects budget. Capital projects are usually in excess of \$100,000 for costs associated with a permanent fixed asset which has a useful life or extends the useful life of an existing fixed asset, usually in excess of 7 years. This issue was discussed at length.

MOTION: Broesch moved, second by Marchese to approve ordinance 158-O-051. Motion carried 6-0.

Future Agenda Items

- Update on the CUBS System by Collections & Business Services Manager Sean Sander (Cummings)
- For the September, 2003 meeting: Status Update by Information Systems Manager Mike Biagioli on the Internet and Intranet Infrastructure Capital Project (Cummings); and Explanation of Systems Acronyms, Services, and Organization (Broesch)

MOTION: Griffin moved, second by Bruce to adjourn at 11:45 a.m. Motion carried 6-0.

Recorded by Mary Pedersen, Legislative Associate.

Respectfully submitted,

Joseph F. Griffin
Secretary